VAT exemption for Khadi Industry

3304. SHRI A. VIJAYA RAGHAVAN: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware of news-item captioned "khadi industry seeks VAT exemption" which appeared in "The Hindu" dated the 17th March, 2003;

(b) if so, the details of the action taken in this regard; and

(c) whether action will be initiated to exempt khadi industries from Value Added Tax?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) and (c) As per Entry 54, of List II of the Seventy Schedule to the Constitution, tax on sale or purchase of goods is a State subject. An Empowered Committee of State Finance Ministers has been constituted to deliberate on matters relating to classification of commodities and the rates of VAT applicable thereon. The rate of VAT on khadi industry, therefore has to be decided by the Empowered Committee and not the Government of India.

Recovery of money through voluntary disclosures

3305. SHRI JIBON ROY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to refer to answer to Unstarred Question 1289 given in the Rajya Sabha on 4th March, 2003 and state:

(a) the quantum of money recovered so far through voluntary disclosures, voluntary compliance of tax laws 1983-84;

(b) whether government propose to conduct a fresh study on black money; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) The quantum of net collection of corporation Tax and Income Tax from F.Y. 83-84 to 2002-03 (year wise) is given at Statement *(See* below). However it is not feasible to segregate the amount attributable to voluntary compliance of tax provisions.